1995-96 and 1994-95 are given below:

(Amt. in Rs. Crores)

| Year | Operating Profit | (Net Profit) |
|---|---|---|
| 1996-97* | 8909.02 | 3009.58 |
| 1995-96 | 7568.87 | (—) 371.36 |
| 1994-95 | 5628.33 | 1115.82 |

(—) indicates loss

*figures for 1996-97 are provisional.

(c) and (d) According to Reserve Bank of India (RBI) the increase in the profit of public sector banks is not attributable to the decrease in the rate of interest on depositors' money including small savings and term deposits but is on account of number of factors such as better fund management, reduction in provisions for NPAS, writing back of excess depreciation on investments due to lowering of YTM on approved securities, recovery of NPAs etc.

RBI have further reported that they have not conducted any specific study on the impact of lowering of deposits/lending rates on the profitability of banks.

**Low Investment Grade Rating of the Country by Standards & Poors**

1502. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have put forward a strong plea with the global rating agency Standards & Poors for an upward revision of the country's low investment grade rating;

(b) if so, what was the precise rating made by the rating agency and what was the Government's case; and

(c) the agency's response to Government's plea?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) In September 1996, Standard & Poor's have affirmed the existing rating of "BB+" and revised the outlook to "Positive" from "Stable" indicating the possibility of an upgrade within three years. During their recent visit to India in June/July 1997, Government of India has presented a case for an upward revision.

(c) The agency is yet to announce the new credit rating.

**Cases Registered by Enforcement irectorate**

1503. SHRI M.A. BABY: Will the Minister of FINANCE be pleased to state:

(a) the number of cases registered by the Enforcement Directorate during the last two years;

(b) the details of the cases involving politicians and bureaucrats; and

(c) the stage of investigation in each of these cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Number of cases registered by the Enforcement Directorate during the- last two years were as under:-

| Year | No. of cases registered. |
|---|---|
| 1995 | 5633 |
| 1996 | 5486 |

(b) and (c) Data arc not maintained according to the status/profession of the accused persons.

**Review of performance of Public Sector Banks**

1504. DR. B.B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) whether Government reviewed the performances of the public Sector Banks operating in the country;

(b) if so, the details of their performances and achievements vis-a-vis the targets fixed during 1996-97 bank-wise;

(c) whether Government have formulated a plan of action to revitalise the public sector banks;

(d) if so, the details thereof and the funds allocated therefor with special reference to such, banks in the Northeastern States;

(e) the target fixed and loans granted in agricultural and industrial sectors and also under self-employment scheme by each of the banks during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The performance of public sector banks is reviewed on an on-going basis by Reserve Bank of India (RBI)/Governmcnt. A consolidated report on the working of the public sector banks is placed before the Parliament every year. RBI have reviewed the performance of nationalised banks for the years 1994-95 and 1995-96. Similar review for the year 1996-97 is yet to be undertaken by RBI. The number of banks which have achieved the target for the years 1994-95 and 1995-96 under the key parameters are given below:—

Numbers of Banks

| | Achieved | | Not Achieved | |
|---|---|---|---|---|
| | 1994-95 | 1995-96 | 1994-95 | 1995-96 |
| Operating Profit Net Profit | Id | 10 | 9 | 9 |
| Non-performing Assets | 11 | 5 | 8 | 14 |
| Priority Sector Advances | 6 | 5 | 13 | 14 |
| Export Credit | 6 | 11 | 13 | 8 |
| | 5 | 11 | 14 | 8 |

(c) and (d) RBI have reported that after discussions on the documents of performance obligations and commitments submitted by the banks, RBI advised banks to bring specific improvement in credit management, recovery of non-performing assets, improving profitability etc. With a view to strengthening the financial position of the Nationalised banks, Union Government have been contributing fresh capital from time to time. As at the' end of March 1997, additional share capital aggregating Rs. 17,346.12 crore has been contributed so far by Union Government to nationalised banks. There being no nationalised banks with Head Office located in the North-Eastern States, the question of separate allocation for banks in those States does not arise.

(e) The public sector banks are required to grant 18 per cent of their net bank credit to agriculture. The performance of public sector banks towards lending to agriculture for the year ended March 1997 is given in the Annexure-I. [See Appendix 181 Annexure No. 42) Though lending to Small Scale Industries (SSI) forms a part of priority sector, no target has been fixed for (SSI) forms a part of priority sector, no target has been fixed for SSI sector. The bank-wise performance of public sector banks as at the end of March 1997 under Prime Minister Rozgar Yojana (PMRY), Integrated Rural Development Programme (IRDP), Scheme for Urban Micro Enterprises (SUME) and Scheme of Liberation and rehabilitation of Scavengers (SLRS) is given in the Annexure-II, III, IV, and V respectively. *[Sec* Appendix 181, Annexure No. 42].